



**Piedmont
Natural Gas**

CCFY
Posted: D. Deke
Dept: SA
Date: 3-16-07
Time: _____

184950

March 15, 2007

VIA OVERNIGHT DELIVERY

Mr. Charles Terreni
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

2005-125-G

Res

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SC PUBLIC SERVICE
COMMISSION

Dear Mr. Terreni:

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.
Pursuant to S.C. Code §58-5-430

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending December 31, 2006, for Piedmont Natural Gas Company, Inc. Please accept the original and 25 copies for filing and return a file-stamped copy to me in the self-addressed, stamped envelope.

If you have any questions about this filing, you may reach me at 704.731.4259.

Sincerely,

Pia Powers

Pia Powers
Manager – Regulatory Affairs

Enclosures

c: ORS (5 copies via overnight delivery)
Scott Elliott
James H. Jeffries IV

Net Operating Income and Rate of Return
For The Twelve Months Ended December 31, 2006
South Carolina
Page 1 of 2

	(1)	(2)	(3)
	<u>Per Books</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 204,026,790	\$ (6,161,848)	\$ 197,864,942
Other Operating Revenues	919,298	-	919,298
Total Operating Revenue	<u>\$ 204,946,089</u>	<u>\$ (6,161,848)</u>	<u>\$ 198,784,240</u>
Operating Expenses			
Cost of Gas	\$ 130,178,909	\$ (8,434,179)	\$ 121,744,730
Other Operation & Maintenance	31,461,708	(3,127,034)	28,334,674
Depreciation	11,416,282	(176,208)	11,240,074
General Taxes	6,588,884	56,833	6,645,717
State Income Taxes	421,671	761,942	1,183,613
Federal Income Taxes	13,997,098	(6,149,427)	7,847,671
Amort. of ITC	(59,131)	-	(59,131)
Total Operating Expenses	<u>\$ 194,005,420</u>	<u>\$ (17,068,072)</u>	<u>\$ 176,937,348</u>
Net Operating Income	<u>\$ 10,940,669</u>	<u>\$ 10,906,224</u>	<u>\$ 21,846,893</u>
Interest on Customer Deposits	(116,488)	-	(116,488)
Amortization of Debt Redemption Premium	(14,153)	(719)	(14,873)
AFDUC	415,901		415,901
Customer Growth	87,676	88,487	176,163
Net Operating Income For Return	<u>\$ 11,313,604</u>	<u>\$ 10,993,992</u>	<u>\$ 22,307,596</u>
Original Cost Rate Base			
Plant in Service	\$ 359,075,376		\$ 359,075,376
Accumulated Depreciation	(127,599,986)		(127,599,986)
Net Plant in Service	<u>\$ 231,475,389</u>	<u>\$ -</u>	<u>\$ 231,475,389</u>
Add:			
Construction Work in Progress	5,334,361		5,334,361
Materials and Supplies	21,374,192		21,374,192
Cash Working Capital	3,033,115	(390,879)	2,642,236
Deduct:			
Customer Advances for Construction	3,599		3,599
Customer Deposits	3,738,303		3,738,303
Accumulated Deferred Income Taxes	32,853,077		32,853,077
Unclaimed Funds	351,249		351,249
Total Original Cost Rate Base	<u>\$ 224,270,830</u>	<u>\$ (390,879)</u>	<u>\$ 223,879,950</u>
Return on rate base	<u>5.04%</u>		<u>9.96%</u>

Net Operating Income and Rate of Return
For The Twelve Months Ended December 31, 2006
South Carolina
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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Capitalization	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 813,813,847	0	\$ 813,813,847	48.00%	\$ 107,451,301	6.92%	3.32%	\$ 7,431,332
2. Common Equity	881,806,421	0	881,806,421	52.00%	116,428,649	12.78%	6.64%	14,876,264
3. Total	\$ 1,695,620,269	0	\$ 1,695,620,269	100.00%	\$ 223,879,950		9.96%	\$ 22,307,596